

# University Entrepreneurship and the SBIR/STTR Program: Leveraging University R&D and SBIR/STTR Resources to build a successful pipeline to Commercial & Government Economic Success

**SBA Office of Investment & Innovation**

[www.sbir.gov](http://www.sbir.gov)

January 2017



**SBA's Office of Investment and Innovation (OII) leads programs that provide the high-growth, small business community with access to financial capital and R&D funds to develop commercially viable innovations.**



# Small Business Investment Company (SBIC) Program delivers access to financial capital

- \$4 billion authorization per year
- \$28 billion of assets under management
- 313 active SBICs
- [www.sba.gov/SBIC](http://www.sba.gov/SBIC)

# Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs

- Supports R&D and financing of cutting edge technologies
- ~\$2.5 billion annual set aside
- ~160,000 awards granted
- ~10 patents per day
- [www.sbir.gov](http://www.sbir.gov)

# Growth Accelerators Program — Supports the American high growth entrepreneurial ecosystem

- ~\$4M Annual Accelerator Program
- Annual competition that provides \$50,000 in prize funding to Accelerators throughout the US
- One function of Accelerators is to help potential SBIR awardees
- [www.sba.gov/accelerators](http://www.sba.gov/accelerators)

# Mission of the SBIR and STTR Programs

“ “ To support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy... one small business at a time ” ”

# 4 Goals of the Program

- Meet **Federal research and development needs**
- Increase private-sector commercialization of innovation derived from Federal research and development funding
- Stimulate technological **innovation**
- Foster and encourage participation in innovation and entrepreneurship by **socially and economically disadvantaged persons**

- **SBIR was created by Roland Tibbetts at the National Science Foundation and signed as a Federal-wide program in 1982 by Ronald Reagan**
- **SBIR programs have awarded over \$43 billion to research-intensive American small businesses**
- **The 450,000 engineers and scientists involved are one of the largest STEM talent concentrations in the world**
- **Key catalysts for tens of thousands of small businesses**

# The Small Business Innovation Research (SBIR) Program

- A set-aside program for small business to engage in Federal R&D with potential for commercialization
- 3.0% of the extramural research budget (FY2015 ~2.0 Billion in summation) for all agencies with a budget greater than \$100M per year. Growing to 3.2% by 2017

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.2%

# Agencies that Participate in the SBIR Program

**Department of  
Agriculture  
(USDA)**

**Department of  
Commerce  
(DoC)**

**Department of  
Defense  
(DoD)**

**Department of  
Education  
(ED)**

**Department of  
Energy  
(DOE)**

**Department of  
Health and Human  
Services  
(HHS)**

**Department of  
Homeland Security  
(DHS)**

**Department of  
Transportation  
(DOT)**

**Environmental  
Protection Agency  
(EPA)**

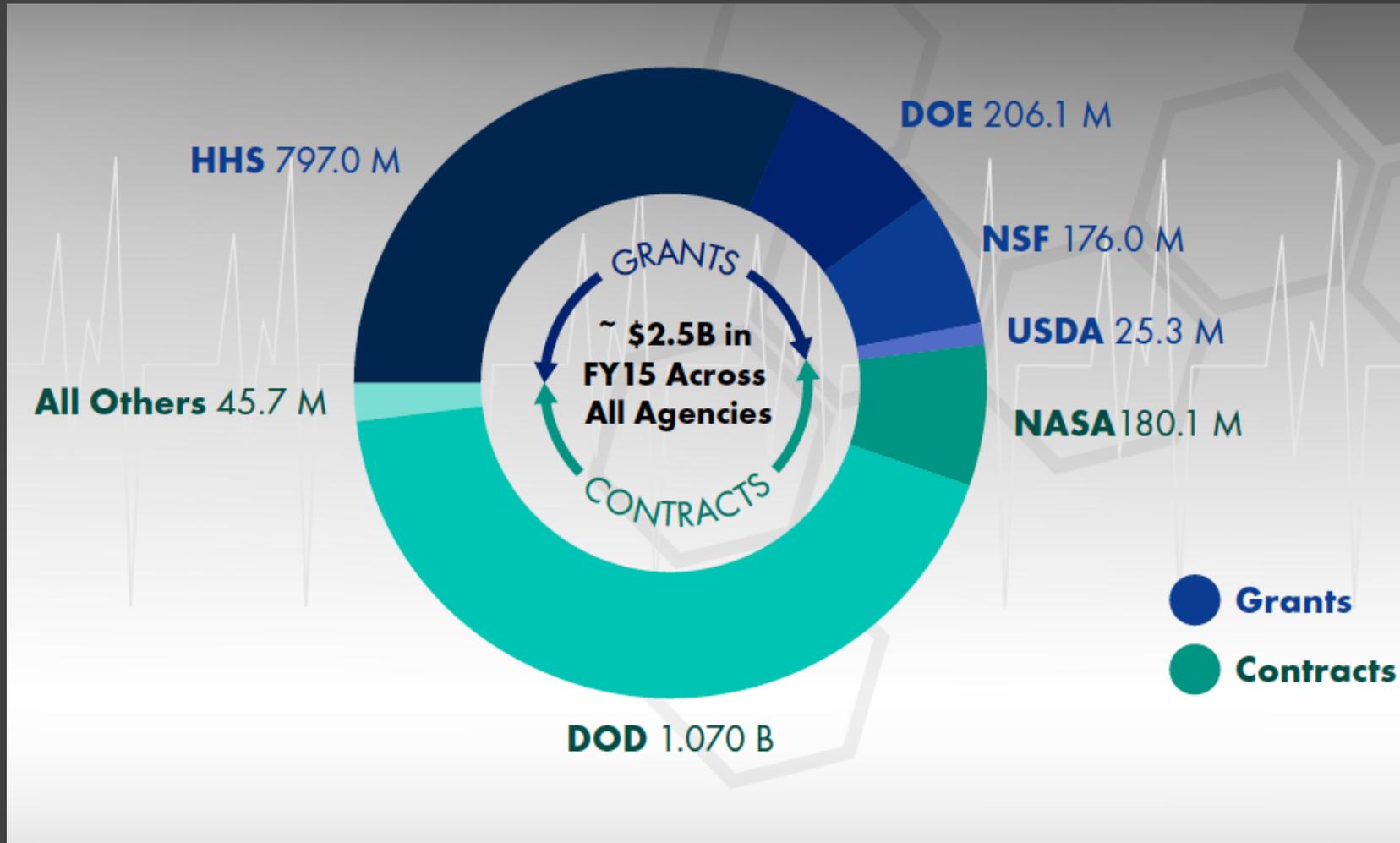
**National  
Aeronautics and  
Space  
Administration  
(NASA)**

**National Science  
Foundation  
(NSF)**

# The Small Business Technology Transfer (STTR) Program

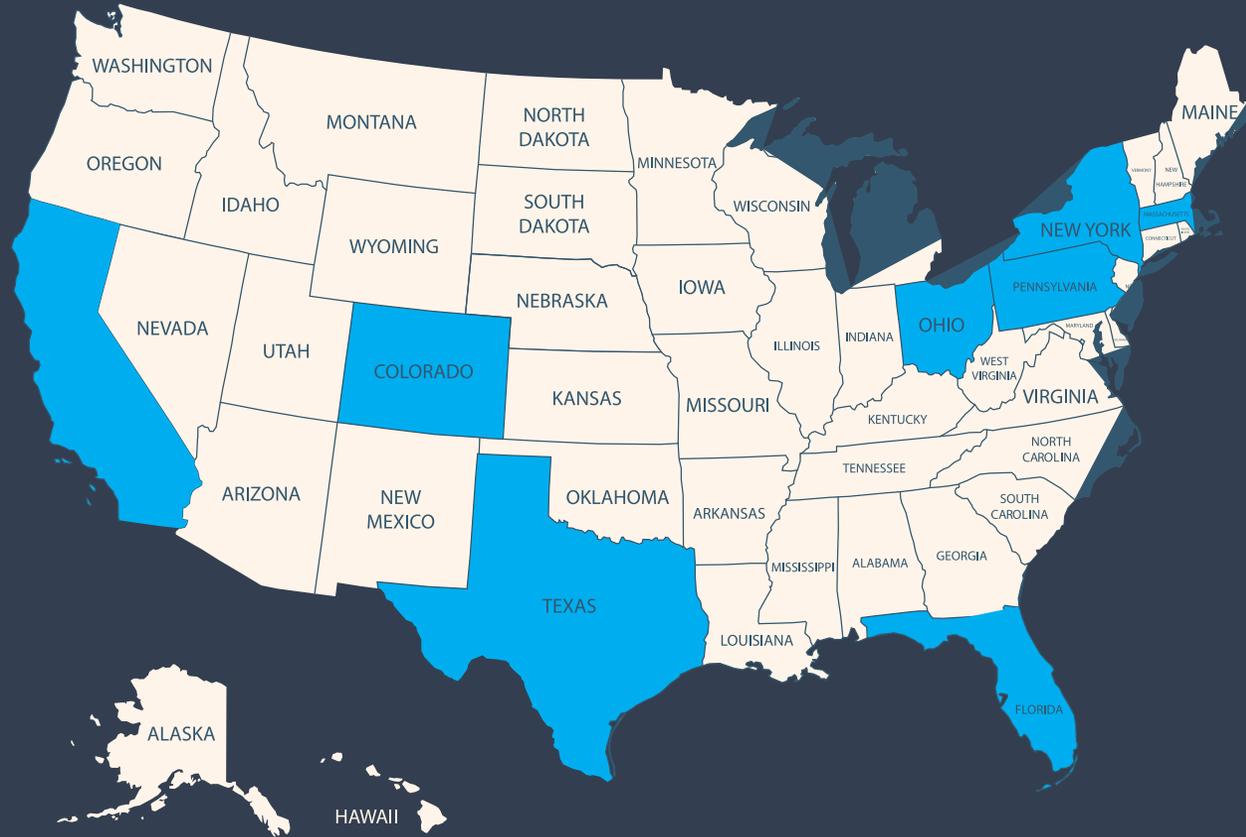
- A sister set-aside program to facilitate cooperative R&D between small business concerns and U.S. research institutions – with potential for commercialization
- 0.4% of the extramural research budget (> \$250M) for all agencies with a budget greater than \$1B per year.  
Growing to 0.45% by 2017

# FY15 Combined SBIR/STTR Budget



# Top total award dollars went primarily to 10 states

- California
- Massachusetts
- Virginia
- New York
- Maryland
- Colorado
- Pennsylvania
- Texas
- Ohio
- Florida



# SBIR/STTR is a Gated Process w/ Three Phases

## Phase I

Concept Development  
6 months  
> \$150,000

## Phase II

Prototype Development  
24 months  
>\$1,000,000

## Phase III

Commercialization  
No SBIR funding

# Who Qualifies as a Small Business?

- **Organized as for-profit U.S. business**
- **500 or fewer employees including affiliates**
- **Work must be done in the U.S. (with few exceptions)**
- **Greater than 50% U.S.-owned by individuals and independently operated with some exceptions**

# Principal Investigator (PI)

- Must be employed by the SBC at **time of award**
- Is **not** required to have a Ph.D./M.D.
- Is required to have appropriate expertise to oversee project scientifically and technically



- Application **may be** submitted to **different agencies** for similar work
- Awards may **NOT** be accepted from different agencies **for duplicative projects**

# Typical Application Process



# Required Registrations Vary by Agency

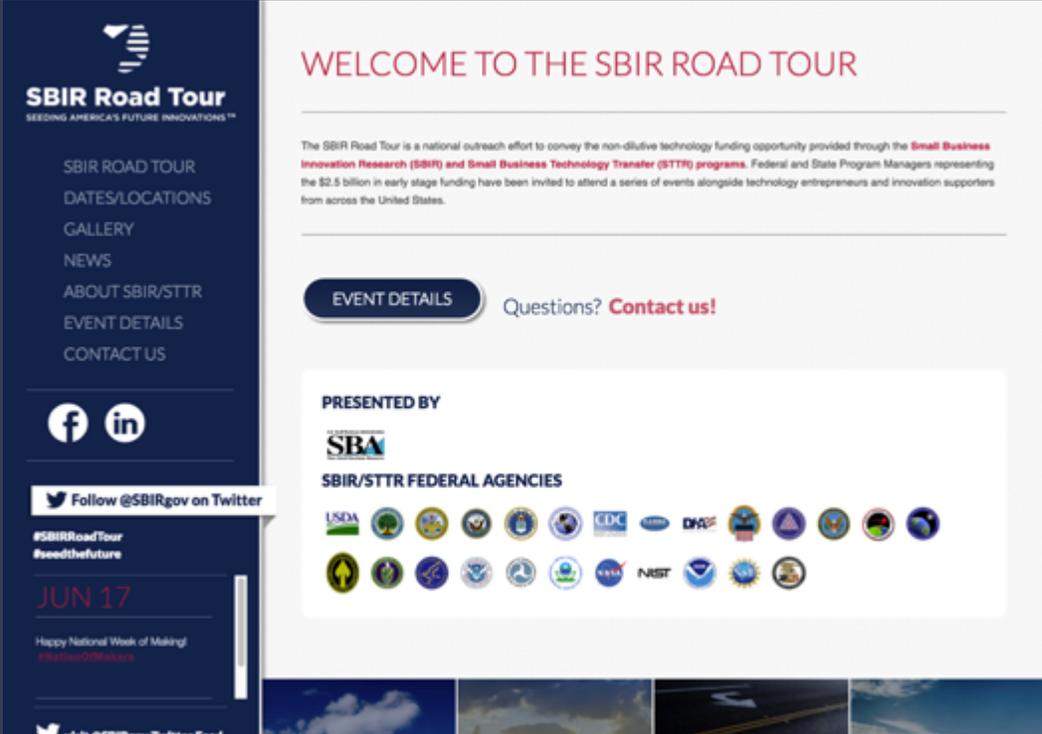
	NASA	HHS	NSF	DOE	DOD
DUNS	X	X	X	X	X
SAM	X	X	X	X	X
Company Registry (SBA.gov)	X	X	X	X	X
Electronic Handbook (EHB)	X				
eRA Commons		X			
Grants.gov		X		X	
NSF FastLane			X		
Portfolio Analysis and Management System (PAMS)				X	
fedconnect.net				X	
Funding Accountability and Transparency Act Sub-award Reporting System				X	
DoD Submission Website					X

# SBIR Website



[www.sbir.gov](http://www.sbir.gov)

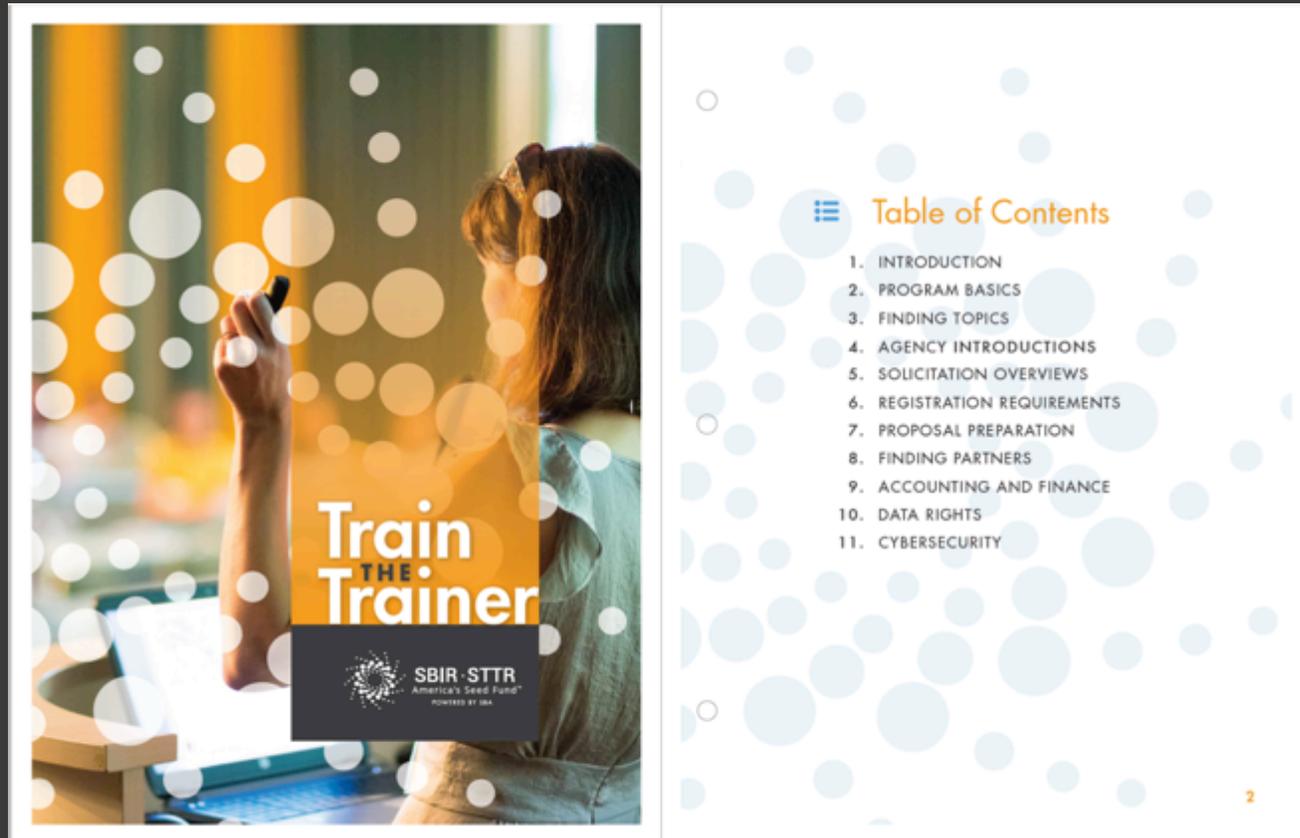
# SBIR Road Tour



[www.sbirroadtour.com](http://www.sbirroadtour.com)



# Train the Trainer & On-line Tutorials Initiative (Released July 2016)



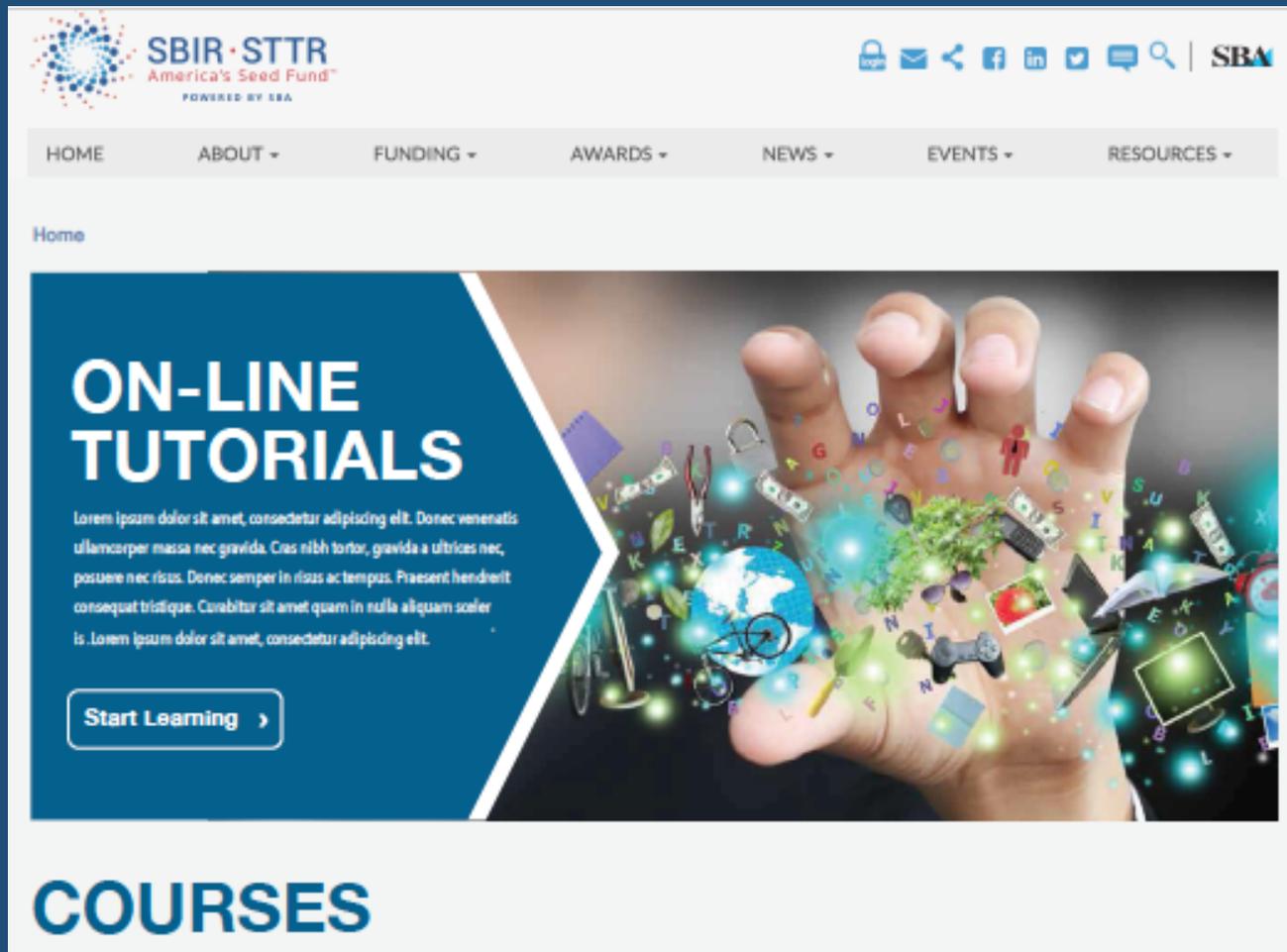
## Target Audience:

- PTACs
- SBDCs
- Accelerators
- Minimum knowledge of SBIR/STTR Programs

[www.sbir.gov/tutorials](http://www.sbir.gov/tutorials)



# Train the Trainer & On-line Tutorials Initiative (Released July 2016)



The screenshot shows the SBIR-STTR website home page. At the top left is the logo for SBIR-STTR, America's Seed Fund, powered by SBA. To the right are social media icons for LinkedIn, Facebook, Twitter, and YouTube, along with a search icon and the SBA logo. Below the header is a navigation menu with links for HOME, ABOUT, FUNDING, AWARDS, NEWS, EVENTS, and RESOURCES. The main content area features a large banner for 'ON-LINE TUTORIALS' with a blue background and white text. The banner includes a 'Start Learning' button and a 'COURSES' section at the bottom. The background of the banner is a hand holding various digital and business icons like a globe, a tree, a laptop, and a game controller.

## Target Audience:

- SBCs interested in learning more about SBIR/STTR (primarily newbies)
- Will be access from SBIR.gov
- Open to everyone
- Better prepare companies for meeting with agency personnel
- Tool for trainers
- 10 Courses

[www.sbir.gov/tutorials](http://www.sbir.gov/tutorials)



# On-line Tutorials Course List

- Program Basics
- Finding Topics
- Agency Introductions
- Agency Solicitations
- Registration Requirements
- Proposal Preparation
- Finding Partners
- Accounting and Finance
- SBIR Data Rights
- CyberSecurity



## Limited Liability Co.

- **Legal Business entity**
- **Owners call members**
- **Register with the State ([nvsos.gov](http://nvsos.gov))**
- **IRS information (Pub 3402) (not a taxable entity)**
- **Getting started**
  - **Choose Business Name**
  - **Register with State**
    - **File Articles of Organization**
    - **Create Operating agreement**
    - **Obtain Licenses and Permits**



# NEVADA SECRETARY OF STATE

## Barbara K. Cegavske

- SOS INFORMATION
- ELECTIONS
- BUSINESSES**
- LICENSING
- INVESTOR INFORMATION
- ONLINE SERVICES

State Business License Only

Start A Business

Manage Your Business

Close A Business

- Corporation
- Limited-Liability Company
- Limited, Limited-Liability, and Limited-Liability Partnership
- Business Trust
- Sole Proprietor, General Partnership, or Other Entity Not Required to File Formation Documents Pursuant to Title 7 of NRS

UCC

- FAQs
- Online Filings & Searches
- Data Report Requests
- Statutes & Regulations

Trademarks

- Forms & Fees
- Statutes & Regulations
- Mark Search

Apostille

- Fees
- Nevada Clerks & Recorders
- Apostille/ Certification Order Form & Credit Card Checklist

Other Services

- Business Entity Search
- Online Articles of Incorporation/Organiz ation
- Resources
- Processing Dates

Assistance

The Nevada Advantage



⚠ CBR Report will not be available from 9:00 am PST to 9:30 am PST on 01/06/2017.

[Welcome](#)[Start Your Business](#)[Manage/Renew a Business](#)[Other Business Services](#)[Why Nevada?](#)

### Nevada Business Search



Also includes Trade Marks,  
Services Marks, Trade Names,  
and Reserved Names

# Start Your Business

SilverFlume Nevada's Business Portal guides you through the sequence of steps required to start a business. Click one of the options below to get started.

Choose from one of the following

[Help](#)

- ▶ [Start Your Business \(Online Wizard\)](#)
- ▶ [Get A State Business License](#)
- ▶ [File Initial List/State Business License](#)
- ▶ [Reserve an Entity Name](#)
- ▶ [Update Common Business Registration](#)
- ▶ [Create Your Operating Agreement](#)
- ▶ [Research your options with New Business Checklist](#)

	C Corp	S Corp	Limited Liability Corp (LLC)	Gen. Partnership	Sole Proprietorship
Owners have limited liability for business debts and obligations	✓	✓	✓		
Created by a state-level registration that usually protects the company name	✓	✓	✓		
Business duration can be perpetual	✓	✓	✓		
May have an unlimited number of owners	✓		✓	✓	
Owners do not need to be U.S. citizens/residents	✓		✓	✓	✓
May be owned by another business, rather than individuals	✓		✓		
May issue shares of stock to attract investors	✓	✓			
Owners can report business profit and loss on their personal tax returns		✓	✓	✓	✓
Owners can split profit and loss with the business for a lower overall tax rate	✓				
May distribute special allocations, under certain guidelines			✓	✓	
Not required to hold annual meetings or record meeting minutes			✓	✓	✓

# Required Registrations Vary by Agency

	NASA	HHS	NSF	DOE	DOD
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DoD Submission Website					X



## Limited Liability Co.

### Advantages of an LLC

- Limited Liability.
- Less Recordkeeping.
- Sharing of Profits.

### Disadvantages of an LLC

- Limited Life.
- Self-Employment Taxes.



# Funding

- Equity vs. debt financing
- Venture capital
- Angel investors
- Savings, retirement, and other investment accounts
- Crowd funding
- Loans
- Peer-to-peer lending
- Family and friends
- Grants



# SBA Funding Programs

Small Business Investment Co. (SBIC)  
- Venture Capital

Growth Accelerators Program

CapLine Program

MicroLoans

7a Business Loans



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